

Message Text

UNCLASSIFIED

PAGE 01 NEW DE 06354 131028Z

61

ACTION NEA-09

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-02

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-01 INR-07 NSAE-00 USIA-15 XMB-04 OPIC-06 LAB-04

SIL-01 /090 W

----- 115555

R 130654Z MAY 75

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 8641

UNCLAS NEW DELHI 6354

E.O. 11652: N/A

TAGS: EFIN, IN

SUBJECT: GOI BANKING POLICY

FOLLOWING SENT ACTION NEW DELHI INFO CALCUTTA,MADRAS MAY 13TH
FROM BOMBAY RPTD TO YOU:

QUOTE:

BOMBAY 1129

E.O. 11652: N/A

TAGS: EFIN, IN

SUBJECT: GOI BANKING POLICY

1. WHILE ADDRESSING A GATHERING OF BANKERS UNDER THE AUSPICES
OF THE INDIAN BANKS' ASSOCIATION IN BOMBAY ON MAY 10, 1975,
GOI FINANCE MINISTER C. SUBRAMANIAM SAID THAT CURRENT
THINKING OF GOI DOES NOT FAVOR FURTHER NATIONALIZATION OF
PRIVATE BANKS. HE PREFERRED "MIXED ECONOMY" IN BANGKING TO
CONTINUE AND EXHORTED PRIVATE SECTOR BANKS TO COMPETE WITH
PUBLIC SECTOR BANKS NOA ONLY IN THE AREA OF DEPOSIT MOBILIZATION
BUT ALSO IN THE FIELD OF CUSTOMER SERVICES.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 NEW DE 06354 131028Z

2. FOURTEEN INDIAN SCHEDULED COMMERCIAL BANKS WERE NATIONALIZED

BY GOI JULY 19, 1969, ON THE FORMULA OF BANKS HAVING TOTAL DEPOSITS OF RS 500 MILLION (52.5 MILLION) OR MORE. SIX PRIVATE BANKS HAVE EXCEEDED THIS DEPOSIT-LIMIT SINCE THEN. PRIVATE BANKS CONSTITUTE 10 PERCENT OF TOTAL INDIAN BANK DEPOSIT MIX.

3. SUBRAMANIAM ADMITTED DETERIORATION IN NATIONALIZED BANK SERVICES IN RECENT TIMES AND APPEALED BANKERS TO HAVE A CLOSE LOOK AT THAT SYSTEMS, METHODS AND PROCEDURES TO ASSESS THE EXTENT TO WHICH ARCHAIC MODES OF TRANSACTING BUSINESS, INCONSISTENT WITH SPEED AND EFFICIENCY, ARE RESPONSIBLE FOR THE DECLINE IN THE QUALITY OF BANK SERVICES. BANE

UNQUOTE:SAXBE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCIAL PROGRAMS, BANK NATIONALIZATION
Control Number: n/a
Copy: SINGLE
Draft Date: 13 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975NEWDE06354
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750168-0031
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750557/aaaabzvr.tel
Line Count: 75
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 18 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 JUL 2003 by maginmm>; APPROVED <12 FEB 2004 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOI BANKING POLICY FOLLOWING SENT ACTION NEW DELHI INFO CALCUTTA,MADRAS MAY 13TH
TAGS: EFIN, IN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006